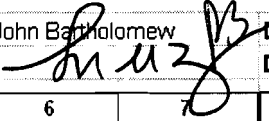


COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST CYCLE

Schedule 13											
Change Request for FY 08-09 Budget Request Cycle											
Decision Item FY 08-09		Base Reduction Item FY 08-09		Supplemental FY 06-07		Budget Request Amendment FY 08-09					
Request Title:		Request for FY 06-07 Medicaid Programs Overexpenditure				Dept. Approval by:		John Bartholomew		Date: January 2, 2008	
Department:		Health Care Policy and Financing		OSPAP Approval:				Date:		12/27/07	
Priority Number:		S-5									
		1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 05-06	Appropriation FY 06-07	Supplemental Request FY 06-07	Total Revised Request FY 06-07	Base Request FY 07-08	Decision/ Base Reduction FY 07-08	November 1 Request FY 07-08	Budget Amendment FY 07-08	Total Revised Request FY 07-08	Change from Base (Column 5) FY 08-19
	Fund										
Total of All Line Items	Total	2,166,269,390	2,247,272,450	11,861,237	2,259,133,687	2,345,161,276	0	2,345,161,276	0	2,345,161,276	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	699,411,374	722,684,543	3,616,986	726,301,529	744,236,505	0	744,236,505	0	744,236,505	0
	GFE	361,644,803	343,100,000	0	343,100,000	343,900,000	0	343,900,000	0	343,900,000	0
	CF	0	38,256	0	38,256	38,256	0	38,256	0	38,256	0
	CFE	23,860,773	55,913,012	0	55,913,012	82,830,879	0	82,830,879	0	82,830,879	0
	FF	1,081,352,440	1,125,536,549	8,244,251	1,133,780,800	1,174,155,636	0	1,174,155,636	0	1,174,155,636	0
(2) Medical Services Premiums	Total	1,996,264,308	2,057,801,212	9,074,543	2,066,875,755	2,147,858,908	0	2,147,858,908	0	2,147,858,908	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	614,561,650	631,536,899	1,840,815	633,377,714	652,421,500	0	652,421,500	0	652,421,500	0
	GFE	361,644,803	343,100,000	0	343,100,000	343,900,000	0	343,900,000	0	343,900,000	0
	CF	0	38,256	0	38,256	38,256	0	38,256	0	38,256	0
	CFE	23,713,210	52,330,509	0	52,330,509	76,001,368	0	76,001,368	0	76,001,368	0
	FF	996,344,645	1,030,795,458	7,233,728	1,038,029,186	1,075,497,784	0	1,075,497,784	0	1,075,497,784	0
(3) Medical Mental Health Community Programs (A) Mental Health Capitation Payments	Total	164,839,222	183,141,013	2,225,047	185,366,060	196,303,651	0	196,303,651	0	196,303,651	0
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	82,328,858	88,358,589	1,474,141	89,832,730	91,315,646	0	91,315,646	0	91,315,646	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	85,498	3,206,518	0	3,206,518	6,829,511	0	6,829,511	0	6,829,511	0
	FF	82,424,866	91,575,906	750,906	92,326,812	98,158,494	0	98,158,494	0	98,158,494	0

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST CYCLE

Schedule 13												
Change Request for FY 08-09 Budget Request Cycle												
		Decision Item FY 08-09 <input type="checkbox"/>		Base Reduction Item FY 08-09 <input type="checkbox"/>		Supplemental FY 06-07 <input checked="" type="checkbox"/>		Budget Request Amendment FY 08-09 <input type="checkbox"/>				
Request Title:		Request for FY 06-07 Medicaid Programs Overexpenditure										
Department:		Health Care Policy and Financing			Dept. Approval by:		John Bartholomew		Date:		January 2, 2008	
Priority Number:		S-5			OSPB Approval:				Date:			
		1	2	3	4	5	6	7	8	9	10	
		Prior-Year		Supplemental	Total	Base	Decision/	November 1	Budget	Total	Change	
		Actual	Appropriation	Request	Revised	Request	Base	Request	Amendment	Revised	from Base	
	Fund	FY 05-06	FY 06-07	FY 06-07	FY 06-07	FY 07-08	Reduction	FY 07-08	FY 07-08	FY 07-08	(Column 5) FY 08-19	
(6) DHS Medicaid-Funded Programs (E) Mental Health and Alcohol and Drug Abuse Services, High Risk Pregnant Women Program	Total	943,703	983,958	125,489	1,109,447	998,717	0	998,717	0	998,717	0	
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	GF	471,852	491,979	62,745	554,724	499,359	0	499,359	0	499,359	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE	0	0	0	0	0	0	0	0	0	0	
	FF	471,851	491,979	62,744	554,723	499,358	0	499,358	0	499,358	0	
(6) DHS Medicaid-Funded Programs Services for Children and Families - Medicaid Funding	Total	4,222,157	5,346,267	436,158	5,782,425	0	0	0	0	0	0	
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	GF	2,049,014	2,297,076	239,285	2,536,361	0	0	0	0	0	0	
	GFE	0	0	0	0	0	0	0	0	0	0	
	CF	0	0	0	0	0	0	0	0	0	0	
	CFE	62,065	375,985	0	375,985	0	0	0	0	0	0	
	FF	2,111,078	2,673,206	196,873	2,870,079	0	0	0	0	0	0	
Letternote revised text:												
Cash Fund name/number, Federal Fund Grant name:		FF: Title XIX										
IT Request: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
Request Affects Other Departments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		If Yes, List Other Departments Here: Department of Human Services										

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Health Care Policy and Financing
Priority Number:	S-5
Change Request Title:	Request for FY 06-07 Medicaid Programs Overexpenditure

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☒ Supplemental Request FY 06-07
- ☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☒ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This Change Request increases funding for the Department's FY 06-07 appropriations for several line items in the amount of the total General Fund and federal funds overexpenditure in those Long Bill groups, \$11,861,237, of which \$3,616,986 is General Fund. Because of the overexpenditure in FY 06-07, the Department's FY 07-08 appropriations have been restricted by the same amount.

Background and Appropriation History:

In FY 06-07, the Department of Health Care Policy and Financing exceeded its appropriations for Medical Services Premiums, Medicaid Mental Health Community Programs, and Department of Human Services – Medicaid Funded Programs by a total of \$3,616,986 General Fund, and \$8,244,251 federal funds. Pursuant to 24-75-109 (3) C.R.S. (2007), the State Controller is required to restrict the Department's FY 07-08 appropriation by the same amount. In order for the State Controller to release the restriction, 24-75-109 (4), C.R.S. (2007) requires that the Department receive a supplemental appropriation for the fiscal year in which the overexpenditure occurred.

General Description of Request:

The Department requests an appropriation of \$11,861,237 total funds, \$3,616,986 General Fund for FY 06-07 in order to release the restriction for the overexpenditure on the Medical Services Premiums and Medicaid Mental Health Community Program line items. Table 1 shows the total overexpenditure by line item, and the total restriction on the FY 07-08 appropriation. Underexpenditure for an individual fund source (such as Cash Funds Exempt for Medical Services Premiums) does not offset the overexpenditure restriction.

Table 1 Total FY 06-07 Overexpenditure and Restriction by Line Item					
Medical Services Premiums	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Total Overexpenditure	\$7,536,372	\$1,840,815	(\$38,256)	(\$1,499,915)	\$7,233,728
Total Overexpenditure Restriction	\$9,074,543	\$1,840,815	\$0	\$0	\$7,233,728
Mental Health Capitation Payments	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Total Overexpenditure	\$1,499,555	\$1,474,141	\$0	(\$725,492)	\$750,906
Total Overexpenditure Restriction	\$2,225,047	\$1,474,141	\$0	\$0	\$750,906
Department of Human Services High Risk Pregnant Women	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Total Overexpenditure	\$125,489	\$62,745	\$0	\$0	\$62,744
Total Overexpenditure Restriction	\$125,489	\$62,745	\$0	\$0	\$62,744
Department of Human Services Services for Children and Families - Medicaid Funding	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Total Overexpenditure	\$330,313	\$239,285	\$0	(\$105,845)	\$196,873
Total Overexpenditure Restriction	\$436,158	\$239,285	\$0	\$0	\$196,873
Total	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Total Overexpenditure	\$9,491,729	\$3,616,986	(\$38,256)	(\$2,331,252)	\$8,244,251
Total Overexpenditure Restriction	\$11,861,237	\$3,616,986	\$0	\$0	\$8,244,251

Consequences if Not Funded:

If not funded, the Departments' FY 07-08 appropriations for these Medicaid programs will continue to be restricted. The Departments' will not have enough funding to provide these services to Medicaid clients. Because the State Controller is permitted to allow overexpenditure for Medicaid programs, the Departments will likely have an overexpenditure again in FY 07-08 and the FY 08-09 appropriations will similarly be restricted.

Calculations for Request:

Summary of Request FY 06-07 Matches Schedule 13 and Recommended Request	Total Funds	General Fund	Federal Funds
Total Request (column 3)	\$11,861,237	\$3,616,986	\$8,244,251
(2) Medical Services Premiums	\$9,074,543	\$1,840,815	\$7,233,728
(3) Medicaid Mental Health Community Programs (A) Mental Health Capitation Payments	\$2,225,047	\$1,474,141	\$750,906
(6) Department of Human Services - Medicaid Funded Programs (F) Mental Health and Alcohol and Drug Abuse Services - Medicaid Funding Alcohol and Drug Abuse Division, High Risk Pregnant Women Program	\$125,489	\$62,745	\$62,744
(6) Department of Human Services - Medicaid Funded Programs (G) Services for People with Developmental Disabilities - Medicaid Funding Services for Children and Families - Medicaid Funding	\$436,158	\$239,285	\$196,873

Assumptions for Calculations:

The Department has verified the total overexpenditure through the Colorado Financial Reporting System (COFRS) and with the State Controller's Office.

Impact on Other Government Agencies:

This request will require a corresponding increase in the Department of Human Services' budget.

Cost Benefit Analysis:

Not applicable.

Statutory and Federal Authority:

24-75-109, C.R.S. (2007). Controller may allow expenditures in excess of appropriations - limitations - appropriations for subsequent fiscal year restricted - repeal.

(1) For the purpose of closing the state's books, and subject to the provisions of this section, the controller may, on or after May 1 of any fiscal year and before the forty-fifth day after the close thereof, upon approval of the governor, allow any department, institution, or agency of the state, including any institution of higher education, to make an expenditure in excess of the amount authorized by an item of appropriation for such fiscal year if:

(a) The overexpenditure is for medicaid programs; or

(3) For any overexpenditure, whether or not allowed by the controller in accordance with subsection (1) of this section, the controller shall restrict, in an amount equal to said overexpenditure, the corresponding item or items of appropriation that are made in the general appropriation act for the fiscal year following the fiscal year for which the overexpenditure that is allowed occurs. For the purposes of determining such corresponding item or items of appropriation, the controller shall consider, in order of importance, the fund from which the overexpenditure was allowed, the department, institution, or agency that was allowed to make the overexpenditure, and the purpose for which the overexpenditure was allowed. The department, institution, or agency shall not be allowed to expend any amount restricted pursuant to this subsection (3) unless such restriction is released in accordance with subsection (4) of this section.

(4) (a) The department, institution, or agency whose appropriation is restricted may request a supplemental appropriation for the fiscal year in which the overexpenditure occurred for the amount of any overexpenditure allowed pursuant to this section. If a supplemental appropriation is enacted for the overexpenditure or some portion thereof, the restriction on the succeeding fiscal year's appropriation shall be released in the amount of the supplemental appropriation enacted.

Performance Measures:

This Change Request affects the following Performance Measures:

- Maintain or reduce the difference between the Department's spending authority and actual expenditures for Medicaid services.

The Department anticipates that by removing the restriction due to the overexpenditure that it will be better able to budget for FY 07-08.